

Gay Hupm

12/8/22

Appendix E – General Recordkeeping Requirements for Tax Collecting Officers

In order to accomplish their responsibilities and properly account for tax collections, collectors and receivers of taxes and assessments should, and in some cases must, comply with the following:

1. Maintain tax warrants, tax rolls, tax bills (statement of taxes due), and other documents relating to tax accounts.
2. Maintain a cashbook, which chronologically identifies all receipts and disbursements.
3. Maintain official bank accounts in designated depositories.
4. Issue acceptable receipt forms to acknowledge all moneys collected (tax bill and tax receipts are generally one document).
5. Deposit all moneys received in a timely manner.
For Towns Only: Deposit to the appropriate bank account(s) within 24 hours of collection.
6. Make all disbursements by check except for authorized petty cash payments.
7. **For Towns Only:** Generally, remit tax collections to the supervisor at least once a week until payment in full of all moneys payable to him/her pursuant to the warrant have been made.
8. **For Towns Only:** After payment to the supervisor in full of all moneys payable to him/her pursuant to the warrant, remit additional tax collections, if any, to the county treasurer by the 15th day of the month following collection.
9. Prepare a list of unpaid taxes at expiration of the warrant, and complete settlement with the county treasurer, if applicable.

(See, generally, Town Law Section 35, pertaining to the powers and duties of collectors, and Town Law Section 37, pertaining to the powers and duties of receivers of taxes and assessments.)

An Important Initial Step in the Audit Process for Tax Collectors and Receivers

Following the tax collection period, the tax collector or receiver is required to account for or settle up real property taxes that the collector or receiver was responsible for collecting. The accounting is made to the county treasurer, and is considered an important and integral part of any audit and/or oversight process.

Before the town board audits the records of the tax collector or receiver, a copy of the settlement sheet should be obtained and reviewed. If necessary, inquiry should be made with the county treasurer to find out if there were any known problems or concerns with the collector's or receiver's records or accounting at the time of settlement.

Note: An audit of the tax collector or receiver could be done any time after settlement with the county treasurer. Once the collector or receiver has settled with the county, there should be no further activity and the bank account balance should be zero (unless the bank, at the time of opening the account, required a minimum amount to be held in the account).

Appendix E – General Recordkeeping Requirements for Tax Collecting Officers continued

Checklist for Review of Tax Collecting Officer's Records

<u>Settlement</u>	<u>YES</u>	<u>NO</u>
Is a copy of the collector's or receiver's settlement sheet available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have all settlement issues/concerns been adequately resolved?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Bank Accounts</u>	<u>YES</u>	<u>NO</u>
Is the bank account reconciled after bank statements are received?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Last Bank Reconciliation for Each Bank Account:</i> (Tax) Date Performed <u>11/7/22</u> Month Ending <u>10/31/22</u>		
Note: Tax collector's bank account balance should be \$0.00 at the <u>beginning</u> of the <u>collection</u> period		

<u>Cash Receipts</u>	<u>YES</u>	<u>NO</u>
Is the cash receipts journal maintained in a manner sufficient to identify the date received, payer, tax account number, tax amount, interest amount and other appropriate information?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are deposits identified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are duplicate deposit slips kept?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do deposit amounts agree with cash receipt amounts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are bank deposits timely or (for towns) within 24 hours of collection? <u>48</u> <u>N/A</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Cash Disbursements</u>	<u>YES</u>	<u>NO</u>
Are pre-numbered checks used for all disbursements other than petty cash?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are all checks signed by the tax collector or receiver?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are canceled checks or check images returned with bank statements and maintained on file?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Deposit Protection</u>	<u>YES</u>	<u>NO</u>
Has the bank pledged adequate, eligible securities to protect tax collector deposits that exceed FDIC insurance protection, when applicable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Appendix E – General Recordkeeping Requirements for Tax Collecting Officers continued

<u>Financial Reporting</u>	<u>YES</u>	<u>NO</u>
Are payments made at least weekly to the supervisor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are receipt forms issued by the supervisor to acknowledge collection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are payments made timely to the county treasurer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Accountability</u>	<u>YES</u>	<u>NO</u>
Are penalties assessed/collected on late payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the total amount of penalties collected on overdue real property taxes comparable with that collected in previous year(s)? Do the amounts look reasonable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the tax collector or receiver treating his/her own tax bills properly, e.g., penalties, if required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are interest earnings remitted to the supervisor and/or the county as appropriate? (Check county resolution for guidance.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are there significant safeguards for the protection of assets and cash, such as a safe or locked file cabinet, offices with locks on the door, regular deposits of cash, etc.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments and Conclusions

Appendix E – General Recordkeeping Requirements for Tax Collecting Officers

In order to accomplish their responsibilities and properly account for tax collections, collectors and receivers of taxes and assessments should, and in some cases must, comply with the following:

1. Maintain tax warrants, tax rolls, tax bills (statement of taxes due), and other documents relating to tax accounts.
2. Maintain a cashbook, which chronologically identifies all receipts and disbursements.
3. Maintain official bank accounts in designated depositories.
4. Issue acceptable receipt forms to acknowledge all moneys collected (tax bill and tax receipts are generally one document).
5. Deposit all moneys received in a timely manner.
For Towns Only: Deposit to the appropriate bank account(s) within 24 hours of collection.
6. Make all disbursements by check except for authorized petty cash payments.
7. **For Towns Only:** Generally, remit tax collections to the supervisor at least once a week until payment in full of all moneys payable to him/her pursuant to the warrant have been made.
8. **For Towns Only:** After payment to the supervisor in full of all moneys payable to him/her pursuant to the warrant, remit additional tax collections, if any, to the county treasurer by the 15th day of the month following collection.
9. Prepare a list of unpaid taxes at expiration of the warrant, and complete settlement with the county treasurer, if applicable.

(See, generally, Town Law Section 35, pertaining to the powers and duties of collectors, and Town Law Section 37, pertaining to the powers and duties of receivers of taxes and assessments.)

An Important Initial Step in the Audit Process for Tax Collectors and Receivers

Following the tax collection period, the tax collector or receiver is required to account for or settle up real property taxes that the collector or receiver was responsible for collecting. The accounting is made to the county treasurer, and is considered an important and integral part of any audit and/or oversight process.

Before the town board audits the records of the tax collector or receiver, a copy of the settlement sheet should be obtained and reviewed. If necessary, inquiry should be made with the county treasurer to find out if there were any known problems or concerns with the collector's or receiver's records or accounting at the time of settlement.

Note: An audit of the tax collector or receiver could be done any time after settlement with the county treasurer. Once the collector or receiver has settled with the county, there should be no further activity and the bank account balance should be zero (unless the bank, at the time of opening the account, required a minimum amount to be held in the account).

Appendix E – General Recordkeeping Requirements for Tax Collecting Officers continued

Checklist for Review of Tax Collecting Officer's Records

<u>Settlement</u>	<u>YES</u>	<u>NO</u>
Is a copy of the collector's or receiver's settlement sheet available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have all settlement issues/concerns been adequately resolved?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Bank Accounts</u>	<u>YES</u>	<u>NO</u>
Is the bank account reconciled after bank statements are received?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Last Bank Reconciliation for Each Bank Account:</i> Date Performed <u>11/7/22</u> Month Ending <u>10/31/22</u>		
Note: Tax collector's bank account balance should be \$0.00 at the <u>beginning</u> of the <u>collection</u> period 0.51		

<u>Cash Receipts</u>	<u>YES</u>	<u>NO</u>
Is the cash receipts journal maintained in a manner sufficient to identify the date received, payer, tax account number, tax amount, interest amount and other appropriate information?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are deposits identified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are duplicate deposit slips kept?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do deposit amounts agree with cash receipt amounts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are bank deposits <u>timely</u> or (for towns) within 24 hours of collection? ATA	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Cash Disbursements</u>	<u>YES</u>	<u>NO</u>
Are pre-numbered checks used for all disbursements other than petty cash?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are all checks signed by the tax collector or receiver?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are canceled checks or check images returned with bank statements and maintained on file?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Deposit Protection</u>	<u>YES</u>	<u>NO</u>
Has the bank pledged adequate, eligible securities to protect tax collector deposits that exceed FDIC insurance protection, when applicable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Appendix E – General Recordkeeping Requirements for Tax Collecting Officers continued

<u>Financial Reporting</u>	<u>YES</u>	<u>NO</u>
Are payments made at least weekly to the supervisor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are receipt forms issued by the supervisor to acknowledge collection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are payments made timely to the county treasurer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>Accountability</u>	<u>YES</u>	<u>NO</u>
Are penalties assessed/collected on late payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the total amount of penalties collected on overdue real property taxes comparable with that collected in previous year(s)? Do the amounts look reasonable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the tax collector or receiver treating his/her own tax bills properly, e.g., penalties, if required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are interest earnings remitted to the supervisor and/or the county as appropriate? (Check county resolution for guidance.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are there significant safeguards for the protection of assets and cash, such as a safe or locked file cabinet, offices with locks on the door, regular deposits of cash, etc.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments and Conclusions
